

STATE FIRE AND TORNADO FUND
INVESTMENT PERFORMANCE REPORT AS OF OCTOBER 31, 2008

	October-08				September-08				Current FYTD	Prior Year FY08	3 Years Ended 6/30/2008	5 Years Ended 6/30/2008
	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net	Net	Net	Net
LARGE CAP DOMESTIC EQUITY												
<i>Structured Growth</i>												
Los Angeles Capital	569,041	2.5%	2.8%	-16.95%	673,147	2.7%	2.8%	-12.89%	-27.65%	-7.79%	7.68%	N/A
Total Structured Growth	569,041	2.5%	2.8%	-16.95%	673,147	2.7%	2.8%	-12.89%	-27.65%	-7.79%	7.68%	9.56%
Russell 1000 Growth				-17.61%				-12.33%	-27.76%	-5.96%	5.91%	7.32%
<i>Structured Value</i>												
LSV	517,972	2.3%	2.8%	-20.01%	636,013	2.5%	2.8%	-6.65%	-25.33%	-21.43%	3.81%	11.57%
Russell 1000 Value				-17.31%				-6.11%	-22.37%	-18.78%	3.53%	8.92%
<i>Russell 1000 Enhanced Index</i>												
LA Capital	1,155,617	5.2%	5.6%	-15.71%	1,360,115	5.4%	5.6%	-9.52%	-23.73%	-9.54%	6.97%	N/A
Russell 1000				-17.46%				-9.35%	-25.18%	-12.36%	4.81%	
<i>S&P 500 Enhanced Index</i>												
Westridge	1,187,935	5.3%	5.6%	-16.71%	1,401,200	5.6%	5.6%	-8.06%	-23.42%	-12.18%	4.98%	N/A
S&P 500				-16.79%				-8.37%	-23.76%	-13.12%	4.41%	
<i>Index</i>												
State Street	368,292			-17.05%	439,533			-11.64%	-26.70%	-18.24%	2.93%	6.64%
Total 130/30	368,292	1.6%	1.9%	-17.05%	439,533	1.8%	1.9%	-11.64%	-26.70%	-18.24%	2.93%	6.64%
S&P 500				-16.79%				-8.37%	-23.76%	-13.12%	4.41%	7.59%
TOTAL LARGE CAP DOMESTIC EQUITY	3,798,856	16.9%	18.8%	-16.94%	4,510,008	18.1%	18.8%	-9.42%	-24.76%	-12.71%	5.68%	9.31%
S&P 500				-16.79%				-8.37%	-23.76%	-13.12%	4.41%	7.59%
SMALL CAP DOMESTIC EQUITY												
<i>Manager-of-Managers</i>												
SEI	567,998	2.5%	3.1%	-22.99%	721,233	2.9%	3.1%	-6.64%	-28.10%	-20.93%	2.06%	9.10%
Russell 2000 + 200bp				-20.64%				-0.61%	-21.12%	-14.48%	5.88%	12.50%
<i>Enhanced</i>												
Research Affiliates	626,830	2.8%	3.1%	-21.05%	778,828	3.1%	3.1%	-2.34%	-22.89%	N/A	N/A	N/A
Clifton	689	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Total Enhanced	627,519	2.8%	3.1%	-21.05%	778,828			-2.34%	-22.89%	N/A	N/A	N/A
Russell 2000				-20.80%				-1.11%	-21.68%	-16.19%		
TOTAL SMALL CAP DOMESTIC EQUITY	1,195,517	5.3%	6.3%	-21.98%	1,500,060	6.0%	6.3%	-4.46%	-25.46%	-21.14%	1.97%	9.04%
Russell 2000				-20.80%				-1.11%	-21.68%	-16.19%	3.79%	10.29%
INTERNATIONAL EQUITY												
<i>Large Cap - Active</i>												
Capital Guardian	747,130	3.3%	4.0%	-19.54%	932,431	3.7%	4.0%	-19.12%	-34.93%	-12.37%	12.24%	14.35%
LSV	738,344	3.3%	4.0%	-20.12%	923,826	3.7%	4.0%	-17.02%	-33.72%	-25.78%	7.37%	N/A
Total Large Cap - Active	1,485,474	6.6%	8.0%	-19.83%	1,856,256	7.4%	8.0%	-18.09%	-34.34%	-19.29%	9.83%	13.46%
MSCI EAFE - 50% Hedged				-17.28%				-16.79%	-31.17%	-15.14%	10.93%	14.67%
<i>Small Cap - Value</i>												
DFA	166,847	0.7%	1.0%	-21.76%	213,262	0.9%	1.0%	-20.83%	-38.05%	N/A	N/A	N/A
Total Small Cap Value	166,847	0.7%	1.0%	-21.76%	213,262	0.9%	1.0%	-20.83%	-38.05%	-12.74%	9.30%	17.27%
S&P/Citigroup Broad Market Index < \$2BN				-23.80%				-23.50%	-41.71%	-25.49%	7.39%	17.33%
<i>Small Cap - Growth</i>												
Vanguard	155,358	0.7%	1.0%	-24.14%	204,591	0.8%	1.0%	-25.01%	-43.11%	-17.52%	11.77%	20.18%
Citigroup Broad Market Index < \$2BN				-23.80%				-23.50%	-41.71%	-25.49%	7.39%	17.33%
TOTAL INTERNATIONAL EQUITY	1,807,680	8.1%	10.0%	-20.40%	2,274,109	9.1%	10.0%	-19.01%	-35.53%	-18.83%	9.79%	14.56%
MSCI EAFE - 50% Hedged				-17.28%				-16.79%	-31.17%	-15.14%	10.93%	14.67%

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DOMESTIC FIXED INCOME												
Core Bond												
Western Asset	3,991,753	17.8%	17.1%	-6.68%	4,199,163	16.8%	17.1%	-5.05%	-11.39%	2.06%	2.76%	3.55%
<i>Lehman Aggregate</i>				-2.36%				-0.49%	-2.84%	7.12%	4.09%	3.86%
Mortgage Backed												
Hyperion	772,340	3.4%	4.4%	-7.36%	808,140	3.2%	4.4%	-21.09%	-26.90%	-20.24%	N/A	N/A
<i>Lehman Global Aggregate (US Securitized Portion)</i>				-3.66%				-1.46%	-5.07%	10.14%		
Core Plus/Enhanced												
<i>Clifton Group</i>	1,291,292	5.8%	4.4%	-0.25%	1,279,017	5.1%	4.4%	0.43%	0.18%	10.17%	N/A	N/A
<i>Prudential</i>	1,214,487	5.4%	4.4%	-5.21%	1,246,271	5.0%	4.4%	-1.35%	-6.49%	4.89%	N/A	N/A
Total Core Plus/Enhanced	2,505,780	11.2%	8.8%	-2.70%	2,525,288	10.1%	8.8%	-0.46%	-3.15%	7.55%	N/A	N/A
<i>Lehman Aggregate</i>				-2.36%				-0.49%	-2.84%	7.12%		
Index												
Bank of ND	2,191,245	9.8%	7.7%	-2.32%	2,201,874	8.8%	7.7%	-1.24%	-3.53%	7.68%	3.93%	3.28%
<i>Lehman Gov/Credit (1)</i>				-2.51%				-1.64%	-4.10%	7.24%	3.84%	3.24%
BBB Average Quality												
Wells Capital (formerly Strong)	4,030,949	18.0%	17.1%	-7.91%	4,305,242	17.2%	17.1%	-3.67%	-11.29%	3.55%	3.04%	3.85%
<i>Lehman US Credit BAA</i>				-10.95%				-4.85%	-15.26%	2.62%	2.52%	3.59%
TOTAL DOMESTIC FIXED INCOME	13,492,066	60.2%	55.0%	-5.69%	14,039,706	56.2%	55.0%	-4.37%	-9.82%	2.32%	3.89%	5.04%
<i>Lehman Aggregate (2)</i>				-2.36%				-0.49%	-2.84%	7.12%	4.09%	3.73%
CASH EQUIVALENTS												
Bank of ND	2,129,133	9.5%	10.0%	0.13%	2,659,849	10.6%	10.0%	0.48%	0.61%	3.43%	4.10%	3.38%
<i>90 Day T-Bill</i>				0.11%				0.63%	0.74%	3.63%	4.27%	3.18%
TOTAL FIRE & TORNADO FUND	22,423,251	100.0%	100.0%	-9.42%	24,983,732	100.0%	100.0%	-6.25%	-15.09%	-4.00%	4.35%	5.92%
POLICY TARGET BENCHMARK				-7.46%				-3.56%	-10.76%	-0.90%	5.01%	5.95%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.